

ARMY OF INSURED BEGINS ITS PROTEST

Members of Congress Hear From Policyholders in Mutual Companies.

CALL INCOME TAX UNJUST

If Caucus Retains Unpopular Provisions Fight Will Go to the House.

WASHINGTON, April 15.—Protests made by life insurance companies against the application of the proposed income tax law to dividends declared by mutual and participating concerns and to policies paid on the death of a person insured threaten to stir up trouble in the Democratic caucus and may result in amendments to this section of the pending revenue law.

Millions of policyholders and prospective heirs of such policyholders as well as the insurance companies are involved. As a result members of Congress are being deluged with protests from all quarters.

The leaders are determined if possible to push the income tax through the caucus just as it was reported by the Ways and Means Committee. They declare that the provision in controversy was worked out with great care, and that it might just as well be recognized now as later that with great many people the income tax will be unpopular for a while.

They are opposed to any exemptions except those already provided in the bill and intend to stand pat on the previous taxing the dividends of mutual insurance companies as well as policies that are paid upon death.

Representative Hull of Tennessee, who prepared the proposed law, is prepared to show by what he regards as good authority that life insurance dividends are commercial dividends legally and subject to tax. He recalls that this question was threshed out on the passage of the corporation tax law and that the Commissioner of Internal Revenue, to whom was entrusted the collection of the tax, held that it should be imposed in the case of dividends declared by mutual and participating life insurance companies.

The proposed law directs that a tax of 1 per cent shall be paid on the incomes of all corporations. The bill provides that the net income of such corporations shall be ascertained by deducting from gross incomes received within the year all necessary expenses, which are defined, and in the case of insurance companies the sum other than dividends paid on policy and annuity contracts.

In the administration of the corporation tax law which is practically the same in language as the income tax provision of the pending bill, the question arose as to the meaning of the word "dividend" and the status of dividends declared by insurance companies. The Commissioner of Internal Revenue decided against the contentions advanced in this regard by insurance companies. The Underwood-Hull income tax provision is written so as to conform to the decision of the Committee on this point.

The argument of the insurance companies, briefly, was that their dividends are not dividends in the commercial sense, let alone simply refunds to the policyholders of a portion of the overcharge collected from such policyholder at the time the annual premium of the policy contract is collected. The Commissioner held this contention to be unmerited.

It is argued by those who object to the provision imposing a tax of 1 per cent on policies paid upon the death of the person insured that it had no place in an income tax bill. They insist that it is an inheritance tax, pure and simple. It is upon this ground and the alleged burden placed upon the heirs of policy holders, notably widows and orphans, that the provision will be attacked.

The income tax section of the Underwood bill will be reported in caucus later in the week. The features dealing with insurance will be bitterly attacked. The chances are they will be adopted by the caucus, but if so the fight will be resumed when the bill is brought up in the House.

When the Democratic caucus met to-day consideration of the agricultural schedule was resumed. Every effort made to amend it was defeated. Representative Levy wanted wheat transferred to the free list, but hastily took his seat in the rear of the chorus of noes. The bill levies a duty of 10 cents a bushel on wheat.

Representative Battieck of Ohio insisted that the rates on practically all farm products were too low, pointing out that the products of the farm when produced as manufactured goods were given the advantages of higher rates. Debate was then begun on the cotton schedule.

On motion of Representative Howard of Georgia the rate on jute fabric, which is used for cotton bagging, was reduced from 25 to 20 per cent. This is only the second change that has been made in the bill by the House caucus.

Schedule K, the wood schedule, will be reached to-morrow. The biggest fight of the caucus is expected on this schedule, but the leaders are convinced it will be adopted as reported by the committee.

KITTY GORDON ISN'T SAYING

Husband Come to See Her Act and Maybe They're Reconciled.

Broadway heard yesterday that Miss Kitty Gordon, late star of "The Frontrunner" and now appearing in vaudeville at the Colonial Theatre, had told her husband, Henry De La Poer Beresford, to be dinner guests of Mrs. George Gould on Friday night.

The Hon. Henry De La Poer Beresford, the younger brother of Lord De La Poer, married Miss Vivian Gould. Broadway thought that Miss Gordon and her husband must have made up and that the dinner at the Gould home was to be a token of complete reconciliation.

Reporters went to the Colonial Theatre and Miss Gordon, apparently very happy, but very diffident, would only say that her husband had been in this country about eight months, most of the time in Rochester, and that on Monday he came to town and saw her performance twice.

Brutal Bridegroom Dies.

PHILADELPHIA, April 15.—Howard S. Ludwig, the real estate man who shot himself in Broad Street Station yesterday, died to-day.

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CAREFREE CHILDREN AT THE RINGSIDE

Between 5,000 and 6,000 From the Institutions See the Circuses.

THOSE CLOWNS FOR THEM

But Those Agile Creatures Were Not Alone Enjoyed by the Youngsters.

It was regular circus day at Madison Square Garden yesterday. Because if there is one thing you always associate with the circus and which makes the day when "the circus comes to town" stand out of the calendar like a big, blushing red numeral against the commonplace numbers it is the small children.

If you stood at the main entrance to the Garden yesterday afternoon and looked ahead you from the long tiers of boxes right on up to the galleries you saw and heard nothing but small boys and girls. And from the way they yelled and tumbled and applauded you thought they had not a care in the world. You never would have known that many of them were orphans or orphans, or both.

Once every year the proprietors of the Barnum & Bailey show invite the boys and girls of the fifty-six schools and institutions for orphans and crippled in New York to come to the circus as their guests. Between 5,000 and 6,000 were on hand yesterday. Many of them arrived as early as 1 o'clock, an hour before the big show started. At 2 o'clock you would have had a hard time finding an empty seat in the Garden. And at 2 o'clock when Ned Brill, in a bright red coat and white trousers, flourished his baton over in the far corner of the hall and the band struck up "Come Take a Trip in My Airship" and the big curtain rolled back on Mark Antony riding into Alexandria at the head of the Roman legions, Stephen Garcia, age 16, of 428 East Eleventh street; Joseph White, age 11, of 872 Second avenue; and all the other small boys and girls in the audience stood up and yelled.

Stephen and Joseph are mentioned particularly because they were the first persons you saw as you came in through the main entrance. They were in the second box on the left and once or twice they leaned so far over the rail that the only thing that saved them was the quickness of Miss Mary Bacon, who was there to assist such emergencies. Miss Bacon is ordinarily a matron in this town, but she is a true actress, and every now and then the Barnum & Bailey people invite the little orphans and cripples to the circus, she forgets all about how many pairs there are in a bunch and becomes a bit saucy. Up to the time the big tight rope and tight swing on the trapeze, suspended sooty above Bozo, Miss Bacon, with rare presence of mind, had saved the lives of Stephen and Joseph four times. It's a man down from the box and to the ground.

The Hebrew Orphan Asylum contribution box was the largest delegation. The Mission of the late Mr. Halevy didn't stand nearly so many, but they were seen by all because they marched into the Garden behind their own brass band, eleven small boys who looked very proud in their new uniforms. Then there were delegations from the City Center, the Asylum, the House of St. Giles, the Cribs, the Jacob Riis Neighborhood Settlement, the Parachute School for Crippled Children, the American Sunshine Association and many other institutions.

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